

Memorandum

TO: Mayor and Town Council

FROM: Marilyn W. Miller

DATE: October 7, 2011

RE: Clarification of Effective Date
Ordinance 11-09 (Public Service Tax Ordinance)

When Town Council recently adopted the above-referenced ordinance imposing a ten percent (10%) public service tax on electricity, the discussion included the fact that, due to notice requirements mandated by state statute, the earliest the tax can be imposed is April 1, 2012.

In reviewing the ordinance after adoption, I realized that the effective date provision in the ordinance merely states that the ordinance is effective upon adoption. While it is true that the ordinance itself is effective upon adoption, I think language needs to be included in the effective date provision to make it clear that the tax will not be imposed until April 1, 2012, since that is the earliest it can be imposed and that was obviously Council's intent when it adopted the ordinance. I am therefore proposing that Council add, for clarification purposes, language to the effective date so that it reads as follows: "This ordinance shall take effect immediately upon adoption by the Town Council, provided, however, that the tax imposed by this ordinance shall not be levied until April 1, 2012."

If you have any questions concerning the foregoing, please do not hesitate to contact me.

cc: Terry Stewart, Town Manager
Michelle Mayher, Town Clerk
Evelyn Wicks, Finance Director